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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 000784

SIPDIS

TREASURY FOR DAS ZARATE  
NSC FOR KIFAYAT

E.O. 12958: DECL: 01/30/2009

TAGS: [EFIN](#) [ETTC](#) [IZ](#) [JO](#)

SUBJECT: ASSETS: JORDANIANS SAY \$50 MILLION MORE TO DFI,  
NEED IRAQI TEAM QUICKLY

REF: A. AMMAN 203

[1](#)B. 2003 AMMAN 8573 AND PREVIOUS

Classified By: David Hale, CDA. Reasons 1.5 (b) and (d).

[1](#)1. (C) Summary. Finance Minister Abu Hammour committed to transfer an additional \$50 million to the Development Fund for Iraq (DFI) in early February and to finalize a list of pending and paid claims against frozen Iraqi funds so that an Iraqi team that could travel to Amman -- ideally in mid-February -- to finalize a review of the claims. In the meantime, Abu Hammour said he had no choice but to pay out an additional \$15 million in claims to Jordanian banks in early February, but only in return for a guarantee that money would be returned to the GOJ if information from the Iraqis showed it had been erroneously paid. Abu Hammour also promised that \$50 million from the joint SOMO-Jordanian refinery account would be transferred to the DFI in early February. Post will hold Abu Hammour to all these commitments, but it is imperative that the Iraqi side also moves quickly to form the team and send it to Amman once the needed information is ready. End Summary.

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Additional \$50 million to DFI  
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[1](#)2. (C) Meeting with the Charge and CPA advisor Haydar al-Uzri January 29, Finance Minister Muhammad Abu Hammour said that he would transfer another \$50 million to the Development Fund for Iraq account in early February, following the Eid holiday (the Jordanian government is closed February 1-4). By early March at the latest, he hoped to be in a position, after working with the promised Iraqi government team (see below), to make a final payment that he now expected to be approximately \$150 million.

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List of Claims Nearly Complete  
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[1](#)3. (C) Abu Hammour also provided al-Uzri and the new Rafidain regional bank manager for Jordan, Hasan Abu-Thar (phonetic), with a list of the pending claims. Unfortunately, the list did not identify specific Iraqi government counter-parties for the claims, which al-Uzri stressed was necessary information to constitute an effective Iraqi team. Abu Hammour agreed that Abu-Thar would work with the Ministry staff in the 2-3 days immediately following the Eid to add this information to the list. Based on this information, al-Uzri hoped it would be possible to quickly assemble an Iraqi team that would come to Jordan to review pending and paid claims.

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Some Claims May be Paid  
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[1](#)4. (C) Meanwhile, Abu Hammour said that the Jordanian technical committee had approved 113 new claims for payment out of Iraqi assets frozen in Jordan, with a value of about JD11 million (\$15.5 million). He said he had held off from paying these since early December despite enormous pressure from members of Parliament and businesspeople who "need their money back" and are "paying interest of 15-18%." Having stalled for as long as he could, Abu Hammour claimed he had no choice but to pay the claims after the Eid holiday. However -- Abu Hammour took great pains to stress -- every bank that received a payment was required to give the Ministry a "financial guarantee with collateral" that the money would be returned immediately upon request of the Ministry. "At any time," he said, the "Iraqis could have the money back" if they showed that a payment had been incorrectly made. Abu Hammour felt that this gave strong protection to Iraqi and Jordanian interests and also highlighted the high-standards the Jordanians were applying in reviewing claims.

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SOMO Account

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15. (C) On the joint SOMO-Jordanian Refinery company account, Abu Hammour also confirmed that he would instruct the Jordan National Bank to transfer \$50 million of the \$77 million in the account to the DFI immediately after the Eid. The remaining \$27 million would be used, as agreed with the SOMO representative, to settle prior claims against the account that were consistent with the purposes for which the account was established.

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Comment  
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16. (C) We will keep the pressure on Abu Hammour to see that the additional information on Iraqi counter-parties is added to the list of claims quickly immediately after the Eid, and that the Minister follows through with the two \$50 million transfers to the DFI (bringing the total to \$235 million including the SOMO account). But, at the same time, CPA and the Iraqis need to act quickly to use the information from the list to form a team that can come to Amman and speak authoritatively about individual claims. Abu Hammour reminded us that he and PM Fayez had told us they could not refrain from paying claims indefinitely (although, al-Uzri pointed out, the information needed to form an Iraqi team had still not been provided in full.) The financial guarantees provided by the banks seem to protect Iraqi financial interests, nevertheless, it is vital that this matter be closed quickly so that it not develop into more of a negative in the growing Jordanian-Iraqi relationship.  
HALE